

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 159, between lines 24 and 25, begin a new paragraph and
2 insert:
3 "SECTION 177. IC 6-2.5-5-43 IS ADDED TO THE INDIANA
4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
5 [EFFECTIVE APRIL 1, 2008 (RETROACTIVE)]: **Sec. 43. (a) As used**
6 **in this section, "clothing" means all human apparel suitable for**
7 **general use. The term does not include:**
8 (1) belt buckles sold separately;
9 (2) clothing accessories;
10 (3) costume masks sold separately;
11 (4) patches and emblems sold separately;
12 (5) sewing equipment and supplies; and
13 (6) sewing materials.
14 **(b) As used in this section, "clothing accessories" means**
15 **incidental items worn on the person or in conjunction with**
16 **clothing. The term includes:**
17 (1) briefcases;
18 (2) cosmetics;
19 (3) hair items, including:
20 (A) barrettes;
21 (B) hair bows; and
22 (C) hair nets;
23 (4) handbags;
24 (5) handkerchiefs;

- (6) jewelry;
- (7) nonprescription sunglasses;
- (8) umbrellas;
- (9) wallets;
- (10) watches; and
- (11) wigs and hair pieces.

(c) As used in this section, "heating fuel" means:

- (1) oil;
- (2) gas;
- (3) coal;
- (4) propane;
- (5) or any other fuel

for use as the principal source of heating in residential dwellings.

(d) As used in this section, "qualified item" means:

- (1) clothing;
- (2) electricity; or
- (3) heating fuel.

(e) As used in this section, "gasoline" has the meaning set forth in IC 6-6-1.1-103.

(f) Notwithstanding IC 6-2.5-2-2, sales of qualified items are entitled to a partial exemption from the gross retail tax.

(g) The amount of the exemption is equal to the result determined under STEP THREE of the following formula:

STEP ONE: Determine the amount of gross retail tax imposed on the qualified item.

STEP TWO: Multiply the amount of gross retail income subject to the gross retail tax that is received by a retail merchant for the qualified item by one percent (1%).

STEP THREE: Subtract the STEP TWO result from the STEP ONE result.

(h) A retail merchant is not required to obtain an exemption certificate from a person who purchases a qualified item from the retail merchant."

Page 161, line 11, delete "With" and insert "Subject to IC 6-2.5-5-43, with".

Page 246, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 245. [EFFECTIVE UPON PASSAGE] (a) IC 6-2.5-5-43, as added by this act, applies to retail transactions that occur after March 30, 2008.

(b) As used in this SECTION, "department" refers to the department of state revenue.

(c) The department may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement IC 6-2.5-5-43, as added by this act.

(d) A rule adopted under this SECTION expires on the earliest of the following:

- 1 **(1) The date a rule is adopted by the department under**
- 2 **IC 4-22-2 that repeals, amends, or supersedes the temporary**
- 3 **rule.**
- 4 **(2) The date another temporary rule is adopted under this**
- 5 **SECTION.**
- 6 **(3) The date specified in the temporary rule.**
- 7 **(4) December 31, 2009."**
- 8 Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)

Representative Pelath